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## Management

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# / External Assessments and Awards

## External Assessments and Awards Activities

Hitachi actively pursues a range of activities aimed at developing a more sustainable society. These activities have earned the Hitachi Group high marks from numerous external organizations.

### Actively Responding to ESG Assessments

The Hitachi Group is proactively responding to the external assessments that are required to be selected as a target for ESG<sup>\*1</sup> investment.

Hitachi, Ltd. received high scores from the CDP<sup>\*2</sup> which ranks companies based on their environmental practices and the quality of their disclosures. We received an A, the highest score, for water security, and an A- for climate change. We have now also been included in the FTSE4Good Index Series<sup>\*3</sup> for the first time.

Among Group companies, Hitachi Construction Machinery was selected for the Dow Jones Sustainability Asia Pacific Index (DJSI<sup>\*4</sup> Asia Pacific); Hitachi Metals was selected for the MSCI Japan Empowering Women Index (WIN)<sup>\*5</sup>, and both companies were selected for the MSCI Japan ESG Select Leaders Index<sup>\*6</sup> and the FTSE4Good Index Series.

<sup>\*1</sup> ESG stands for "environmental, social, and governance"—key factors in promoting socially responsible investment.

<sup>\*2</sup> CDP is a UK-based international nonprofit organization that rates corporate initiatives and transparency in the three areas of climate change, water security, and forests using an eight-level scale of A to D-.

<sup>\*3</sup> FTSE4Good Index Series: One of the indexes calculated by the London Stock Exchange, that is owned by the FTSE Group and which selects component stocks based on their ESG performance, specifically environmental management, climate change mitigation, human rights and workers' rights, supply chain labor standards, and bribery and corruption prevention.

<sup>\*4</sup> DJSI: A family of ESG indexes developed by Dow Jones & Company (USA) and RobecoSAM (Switzerland) that includes global and regional indexes with specific compositions. DJSI World, for example, selects on a global basis, while the DJSI Asia Pacific Index covers Japan, Asia, and Australia.

<sup>\*5</sup> MSCI Japan Empowering Women Index (WIN): A stock price index comprising companies in Japan selected for their high degree of engagement by female employees based on criteria formulated by the world-renowned index calculation company MSCI.

<sup>\*6</sup> MSCI Japan ESG Select Leaders Index: The MSCI Japan ESG Select Leaders Index targets 50% of the free float-adjusted market capitalization of each Global Industry Classification Standard (GICS®) from a free float-adjusted market capitalization weighted index based on the MSCI Japan IMI Top 700 Index, its parent index, which includes large, mid and small-cap securities in the Japanese markets and is designed to target companies that have high Environmental, Social and Governance (ESG) performance.



FTSE4Good



FTSE Blossom Japan

### ▶ CDP Scores for Fiscal 2020

Company	Score	
Hitachi, Ltd.	Climate change: A-	Water security: A
Hitachi Metals	Climate change: B-	Water security: B-
Hitachi Construction Machinery	Climate change: A-	Water security: B

### ▶ Results of ESG External Analysis in Fiscal 2020

Institution	Index	Companies selected
FTSE	FTSE4Good Index Series	Hitachi, Ltd., Hitachi Metals, Hitachi Construction Machinery
	FTSE Blossom Japan Index	
MSCI	MSCI Japan ESG Select Leaders Index	Hitachi Metals, Hitachi Construction Machinery
	MSCI Japan Empowering Women Index (WIN)	
S&P Global	Dow Jones Sustainability Asia Pacific Index	Hitachi Construction Machinery

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## Diversity Management Selection 100

In 2013, Hitachi, Ltd. was included in the Diversity Management Selection 100, an initiative of Japan's Ministry of Economy, Trade, and Industry (METI). The Diversity Management Selection 100 system chooses and recognizes companies that have achieved high results in such areas as improving innovation and productivity by using the talents of diverse employees, including women, different nationalities, older employees, and people with disabilities. Hitachi was lauded for going beyond simply introducing diversity programs to promoting diversity management Group-wide as a corporate strategy backed by strong management commitment. Additionally, the Group company Hitachi High-Tech was selected to be included in the New Diversity Management Selection 100 in 2021.



## Kurumin Certification

Hitachi, Ltd. has received Kurumin certification in 2011 <sup>\*1</sup>. This was granted under Japan's Act on Advancement of Measures to Support Raising Next-Generation Children, in recognition of its achievements in developing and implementing action plans supporting child care so that employees can work with the peace of mind that comes from a good work-life balance.

<sup>\*1</sup> Hitachi Group companies with Kurumin certification include Hitachi Construction Machinery Co., Ltd., Hitachi High-Tech, Hitachi Urban Investment, Ltd., Hitachi Systems, Ltd., and Hitachi Solutions, Ltd.



## Eruboshi Certification

Hitachi, Ltd. promotes diversity as an important component of its management strategy and strives to create work environments that enable its diverse human capital to play an active role. In recognition of these initiatives, we received Eruboshi certification, which is conferred to companies that are implementing exceptional measures under the Act on Promotion of Women's Participation and Advancement in the Workplace. Hitachi, Ltd. was awarded class 2 (there are three categories); other Group companies receiving Eruboshi certification include Hitachi Metals, Hitachi High-Tech, Hitachi Systems, and Hitachi Solutions which were all awarded class 3 certification.



## WICI Japan Integration Reporting Awards 2020 and the 23rd Nikkei Annual Report Awards 2020

The Hitachi Integrated Report 2020 was awarded the Gold, the highest award, at the WICI Japan Integration Reporting Awards 2020.

The award was given on the basis of the integrated thinking informing our implementation of management, the way medium- to long-term value creation capabilities were indicated clearly with their relation to various stakeholders, and for our appraisal as a company with promising potential in further business value improvement, looking forward. Our report was also awarded the Semi Grand Prix at the 23rd Nikkei Annual Report Awards 2020.